

REQUEST FOR COUNCIL ACTION

MEETING

DATE: 1/22/03

47/

AGENDA SECTION:
CONSENT AGENDA**ORIGINATING DEPT:**
Public Works**ITEM NO.**

D-21

ITEM DESCRIPTION: Feasibility Report for Sanitary Sewer and Watermain to Serve the Kahoun's Subdivision Area, J9786**PREPARED BY:**

J. Loehr

This is the Feasibility Report for the construction of sanitary sewer and watermain to serve the Kahoun's Subdivision Area in a project described as follows:

Project No. M1-25, J9786**"Sanitary Sewer and Watermain Extension to Serve the Kahoun's Subdivision Area."**

The estimated construction costs and expense of this project are as follows:

Sanitary Sewer and Watermain	\$ 538,390
Service Connections	60,950
Restoration	345,350
Sub-Total	\$ 944,690
Engineering/Interest/Contingencies	283,407
Total Estimated Project Cost	\$1,228,097

The Kahoun's Area sanitary sewer and watermain extension project is included in the 2003 Capital Budget.

The Kahoun's Subdivision Area is included in Orderly Annexation Agreement #3 between Marion Township and the City of Rochester. Annexation of the Kahoun's Subdivision Area will occur no sooner than January 1st of the year 5 years after a sanitary sewer and watermain extension project is substantially completed to serve the Area.

The project is proposed to be funded from Sanitary Sewer and Watermain Connection Charges (Utility Connection Agreements), future charges to undeveloped land that is located adjacent to the project, RPU share for oversize watermain costs, project cost transfers to J9604 SE Area Trunk Watermain and J9598 Marion Trunkline Sanitary Sewer and J9787 Crystal Springs sanitary sewer and watermain project, and Sales Tax Revenue appropriated to the Water Quality Protection Program.

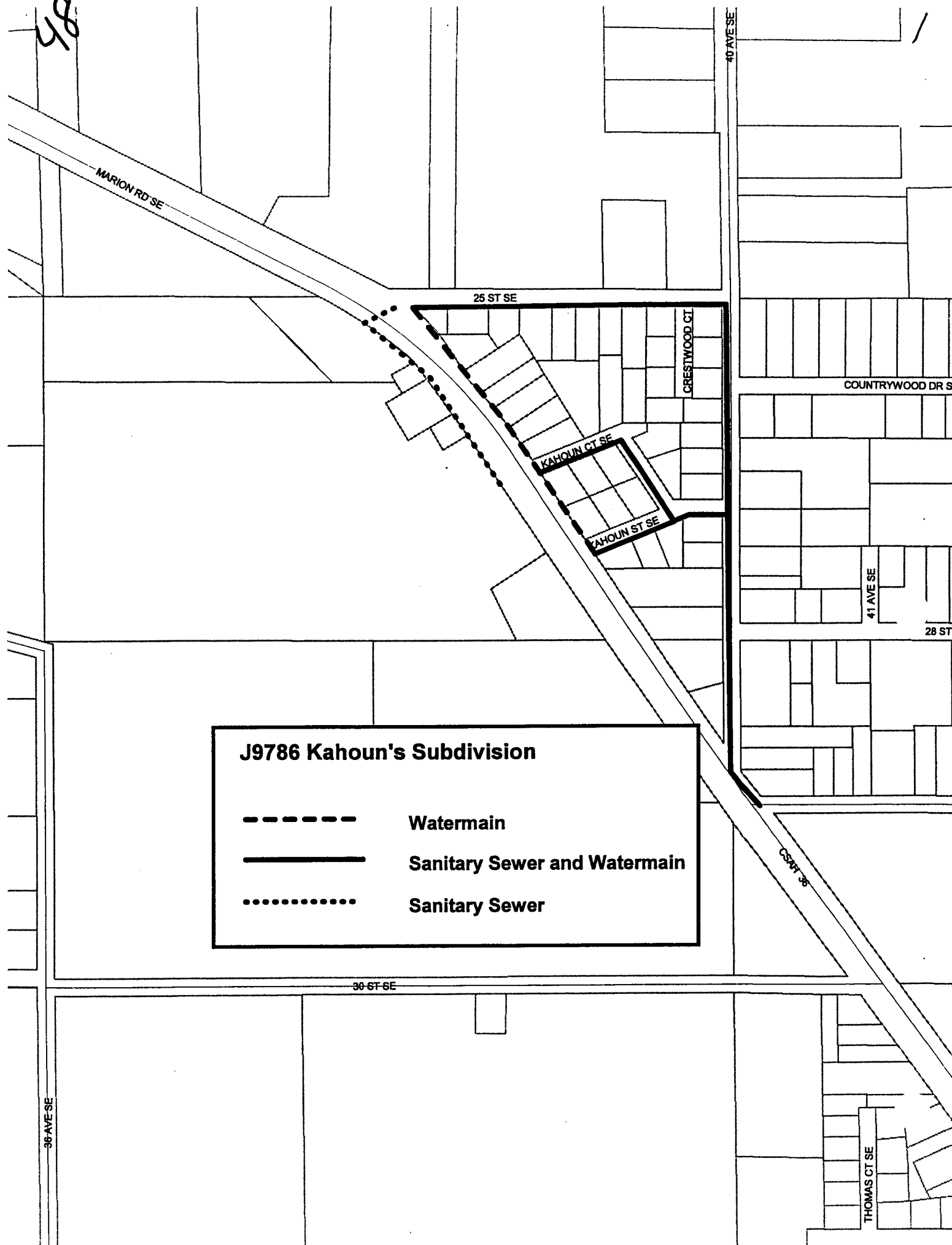
COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting the Feasibility Report.
2. Adopt a resolution establishing a Project Hearing for February 19, 2003.

Attachments: Feasibility Report
Location Map

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

48



J9786 Kahoun's Subdivision

Watermain

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Sanitary Sewer and Watermain

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Sanitary Sewer

49 ✓

REPORT ON THE FEASIBILITY OF PROPOSED
LOCAL IMPROVEMENT PROJECT
TO SERVE THE KAHOUN'S SUBDIVISION AREA.

January 22, 2003

Honorable Mayor & Common Council
City of Rochester, Minnesota

A petition for sanitary sewer and watermain to serve the Kahoun's Subdivision Area was forwarded by the City Council at their meeting of August 2, 1999 to the Public Works Department for the preparation of a Feasibility Report. The petition was checked and found to be in proper form and was signed by 26 of 45 property owners of lots containing a single-family residential dwelling. This represents 57.8 percent of the single-family residential lots within the Kahoun's Subdivision Area that are eligible to participate in the City of Rochester, Water Quality Protection Program (WQPP) adopted by the City Council on December 21, 1999. The Kahoun's Subdivision Area also includes 4 developed lots that were not included in the original petition area, however the property owners of these four lots have indicated to the WQPP, Project Manager that they desire to have their properties served with city sanitary sewer and watermain in conjunction with the Kahoun's Subdivision Area project. With the four additional requests to be included in the Kahoun's project 30 of 49 owners of lots containing an existing single-family residential dwelling desire to have city sanitary sewer and watermain extended to serve the Kahoun's Subdivision Area. This represents 61.2 percent of the developed single-family residential lots within the Kahoun's area that are eligible to participate in the WQPP.

Feasibility Report

We report that the above referenced project is feasible and recommend its construction. The location of this project is within an area of existing single-family residential development and existing commercial development that currently lacks public sanitary sewer and watermain. A majority of the septic systems and wells within the Area were constructed prior to the State of Minnesota and Olmsted County having any requirements or standards for construction of septic systems and wells. The lots are typically under ½ acre in size and are unable to absorb the nitrates created from the septic systems. There is an increasing threat of contamination to the City of Rochester's ground water supply as the existing septic systems and wells begin to fail. This project would allow property owners of lots containing existing single-family residential dwellings and developed commercial lots to connect to public sanitary sewer and water systems rather than replacing their old systems when they fail. This project also allows the undeveloped single-family residential lots to develop with public sewer and watermain

The costs of this project are proposed to be recovered through Sanitary Sewer and Watermain Connection Charges (Utility Connection Agreements), future charges to undeveloped land that is located adjacent to the project, RPU share for oversize watermain costs, project cost transfers to J9604 SE Area Trunk Watermain, J9598 Marion Trunkline Sewer and J9787 Crystal Springs sanitary sewer and watermain project, and Sales Tax Revenue appropriated to the City of Rochester, Water Quality Protection Program.

The proposed project consists of the installation of an 8-inch sanitary sewer lines, 8 and 12-inch watermain lines, and sanitary sewer and water service connections throughout the Kahoun's Subdivision Area.

City sanitary sewer is available to serve the Kahoun's area on the west and east sides of Marion Road SE at the intersections of Kahoun Court SE and 29th Street SE. Sanitary sewer will be extended from these locations to serve the Kahoun's Subdivision Area.

Trunk watermain is currently located at the intersection of 30th Avenue and Marion Road SE. Trunk watermain is scheduled to be extended from that location in the Spring of 2003 to serve the Kahoun's

50

Subdivision Area and other subdivisions in Marion Township that are located between 30th Avenue and the Kahoun's Subdivision that have requested the extension of city sanitary sewer and watermain through the City of Rochester Water Quality Protection Program Area.

Applicable Connection Charge Rates and per Lot Caps

The Kahoun's Subdivision Area petition was received on July 21, 1999. On August 1st of each year the Water Quality Protection Program rates and per lot caps were adjusted by the change in the Engineering News Record Construction Cost Index as measured in the Minneapolis/St. Paul area during the preceding 12-months, the Department of Public Works recommends that the sanitary sewer and watermain connection charges for this project be based on the connection charge rates and per lot caps in affect at the time the petition was received by the City as follows:

- Maximum sanitary sewer and water connection charge rate of \$66.30 per foot of frontage.
- Maximum sewer and water connection charge per lot cap for a developed lot that contains a habitable single family dwelling unit shall be as follows:
 - 1) maximum \$8,160 per lot for any developed lot 1/2 acre or less.
 - 2) \$8,160 per lot, plus \$0.19 per square foot for any developed lot greater than 1/2 acre up to 1-1/2 acre.
 - 3) maximum \$16,320 per lot for any developed lot 1-1/2 acre or larger.

The estimated construction costs and expenses of the project made without completed plans or survey are as follows:

Sanitary Sewer and Watermain		\$ 699,642
Sewer Service Connection Stub-Outs	\$750 per service x 53 services	\$ 39,750
Water Service Connection Stub-out	\$750 per service x 53 services	\$ 39,750
Restoration		\$ 448,955
Estimated Cost of the Project		\$ 1,228,097

The estimated project costs are proposed to be funded as follows:

Utility Connection Agreements	\$ 416,706
Future Charges to New Development	\$ 53,615
RPU Share for Oversize Watermain	\$ 41,158
Trunk Watermain Costs (Transfer to J9603 & J9604)	\$ 24,000
Marion Road SE Sanitary Sewer Crossing (Transfer to J9598)	\$ 20,680
50% of 40 th Avenue Costs (transfer to J9787 Crystal Springs)	\$ 180,000
Sales Tax Revenue (see below)	\$ 491,938
Estimated Project Costs	\$ 1,228,097

Amount of sales tax revenue required for the Project

Sales Tax (Rate Cap and per Lot Cap)	\$ 418,438
Sales Tax (Sewer Service Stub-Out Allowances) 49 services x \$750/serv.	\$ 36,750
Sales Tax (Water Service Stub-Out Allowances) 49 services x \$750/serv.	\$ 36,750
Estimated Amount of Sales Tax Funding Required for Construction of Project	\$ 491,938

51 /

Estimated additional sales tax revenue required for work on private property

Of the 53 lots within the project area 49 lots contain a single-family residential dwelling. These lots are eligible for *Allowances* through the Water Quality Protection Program as follows:

Sewer Service Lateral	49 lots x \$1,000 per lot	\$ 49,000
Water Service Lateral	49 lots x \$1,000 per lot	\$ 49,000
Well Closure	49 lots x \$1,100 per lot	\$ 49,000
<u>Septic Closure</u>	<u>49 lots x \$ 500 per lot</u>	<u>\$ 24,500</u>
Estimated Amount of Sales Tax Revenue Required for <i>Allowances</i> for Work on Private Property		\$ 171,500

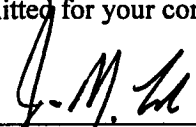
Estimated sales tax revenue required for construction of Project and *Allowances*

Estimated Amount Sales Tax Revenue for Construction of the Project	\$ 491,938
<u>Estimated Amount of Sales Tax Revenue Required for <i>Allowances</i></u>	<u>\$ 171,500</u>
Estimated Amount of Sales Tax Revenue Required for Construction of the Project and <i>Allowances</i> for Work on Private Property	\$ 663,438

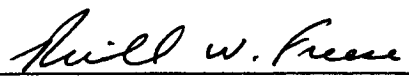
We recommend that the necessary funding to construct sanitary sewer, watermain and service connections in the Kahoun's Subdivision Area be done so in accordance with the City of Rochester's existing sanitary sewer and watermain connection charge policies and the Water Quality Protection Program. Property owners that desire to participate in the Water Quality Protection Program and the benefits contained therein, are required to:

1. Enter into a Utility Connection Agreement with the City within three (3) years of the date the City initiates the project.
2. Connect the existing single-family residential dwelling or existing developed commercial property to the public sewer and water systems within five (5) years of the date of project initiation.
3. Consent to annexation of their property consistent with the conditions of an Orderly Annexation Agreement between the City and Marion Township.

Submitted for your consideration:



James M. Loehr
Water Quality Protection Program
Project Manager



Richard W. Freese, P.E.
Director of Public Works
City Engineer

52

1

BUDGET AND ASSESSMENT SCHEDULE
FOR CONSTRUCTION CONTRACT

Project No: M1-25

Date (Orig.) 01/22/2003

J No: 9786

Description: Sanitary Sewer & Watermain Extension to Serve the Kahoun's Subdivision Area

	Project Budget	Contract Cost	Final Cost
Construction			
<u>Sanitary Sewer & Watermain</u>	<u>\$ 538,390</u>		
<u>Service Connections</u>	<u>60,950</u>		
<u>Restoration</u>	<u>345,350</u>		
<u>Sub-Total</u>	<u>\$ 944,690</u>		
<u>Engineering/Interest/Contingency</u>	<u>283,407</u>		
<u>Total Construction & Expense</u>	<u>\$1,228,097</u>		
Cost Distribution			
<u>Anticipated Utility Connection Agreements</u>	<u>\$ 416,706</u>		
<u>Charges for Future New Development</u>	<u>\$ 53,615</u>		
<u>RPU Share Oversize Watermain</u>	<u>\$ 41,158</u>		
<u>Transfer to J9604 SE Area Trunk Watermain</u>	<u>\$ 24,000</u>		
<u>Transfer to J9598 Marion Trunkline</u>	<u>\$ 20,680</u>		
<u>Transfer to J9787 Crystal Springs</u>	<u>\$ 180,000</u>		
<u>Sales Tax Funding</u>	<u>\$ 491,938</u>		
<u>TOTAL</u>	<u>\$1,228,097</u>		

Make Initial Disbursement from P. I. R. Fund

Item	Unit	Unit Cost	Quantity	Amount		
Sanitary Sewer						
8" Sanitary Sewer	Lin. Ft.	\$ 28	5,525	\$ 154,700		
Manhole	Each	\$ 2,000	17	\$ 34,000		
20" Steel Casing	Lin. Ft.	\$ 160	110	\$ 17,600		
De-watering	Lin Ft.	\$ 10	5,525	\$ 55,250	\$ 261,550	
Watermain						
6" Watermain	Lin Ft.	\$ 25	475	\$ 11,875		
8" Watermain	Lin. Ft.	\$ 30	3,070	\$ 92,100		
12" Watermain	Lin. Ft.	\$ 35	3,295	\$ 115,325		
6" GV & Box	Each	\$ 600	15	\$ 9,000		
8" GV & Box	Each	\$ 800	4	\$ 3,200		
12" GV & Box	Each	\$ 1,300	6	\$ 7,800		
6" Hydrant & Hyd. Leads	Hydrant	\$ 2,000	14	\$ 28,000		
WM Fittings	Pound	\$ 4	2,385	\$ 9,540	\$ 276,840	
Service Connections						
4" Sewer & 1" Water	Each	\$ 1,150	53	\$ 60,950	\$ 60,950	
Restoration						
Aggregate Base	Cu. Yd.	\$ 18	2,900	\$ 50,750		
Breaker Run	Cu. Yd.	\$ 18	2,175	\$ 39,150		
Bituminous	Ton	\$ 38	2,800	\$ 106,400		
Bituminous Roadway Removal	Sq. Yd.	\$ 3	13,350	\$ 40,050		
Culverts	each	\$ 600	10	\$ 6,000		
Sod	Sq. Yd.	\$ 3	30,000	\$ 90,000		
Seeding	Acres	\$ 2,000	2	\$ 3,000		
Erosion Control	Lump Sum	\$ 10,000	1	\$ 10,000	\$ 345,350	
				Sub-Total	\$ 944,690	
				E.I.&C. 30%	\$ 283,407	
				Total Estimated Project Cost	\$ 1,228,097	
Project Funding Sources						
Utility Connection Agreements				\$ 416,706		
Future New Development				\$ 53,615		
RPU Share Oversize Watermain				\$ 41,158		
Crystal Springs 40th Ave. Costs				\$ 180,000	2000 feet x \$180/foot x 1/2	
Trunk Watermain Costs				\$ 24,000	400 feet x \$60/foot	
Trunkline Sanitary Sewer Costs				\$ 20,680	Marion Road Crossing	
				\$ 736,159		\$ 491,938
SAC & WAC Allowances						
	Rate/acre	Acres				
SAC	\$1,500	25		\$ 37,500		
WAC	\$2,000	25		\$ 50,000		
				\$ 87,500		\$ 87,500
Allowances for Work on Private Property						
	Amount/Lot	No. of Lots				
Sewer Lateral	\$ 1,000	49		\$ 49,000		
Water Lateral	\$ 1,000	49		\$ 49,000		
Well Closure	\$ 1,000	49		\$ 49,000		
Septic Closure	\$ 500	49		\$ 24,500		
				\$ 171,500		\$ 171,500
				Estimated Sales Tax Subsidy	\$ 750,938	
	Developed Lots	Undeveloped Lots	No. of Lots			
	50	3	53	Average Per Lot Subsidy	\$ 14,169	
RPU Share						
Over Size Watermain	Item	Unit	Unit Price	Quantity	Amount	
	12" Watermain	feet	\$ 8	3,295	\$ 26,360	
	12" GV & Box	each	\$ 500	6	\$ 3,000	
	Fittings	pounds	\$ 4	575	\$ 2,300	
				RPU Sub-Total	\$ 31,660	
				30% E.I.&C	\$ 9,498	
				RPU Share	\$ 41,158	

54